West Virginia State Innovation Model Steering Committee Meeting

Overview of States SIM Planning Process and Testing Models

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Goals of the Discussion

- Review approaches undertaken by different States during the planning Phase
- Evaluate options of a more “prescriptive” vs a “principle” driven approach
- Inform Steering Committee on key elements to consider for WV plan using several States as “case studies”
- Provide ideas for framework by which the Steering Committee may move forward in planning Phase for WV
- Foster discussion to vet possible goals for use within the WV planning Phase

Road Map

1 Positioning for Success

2 Example Overview of State Models

3 Approach to Complete Planning Phase

4 Closing

Scope of the SIM Model Design Project

What is the SIM Model Design?

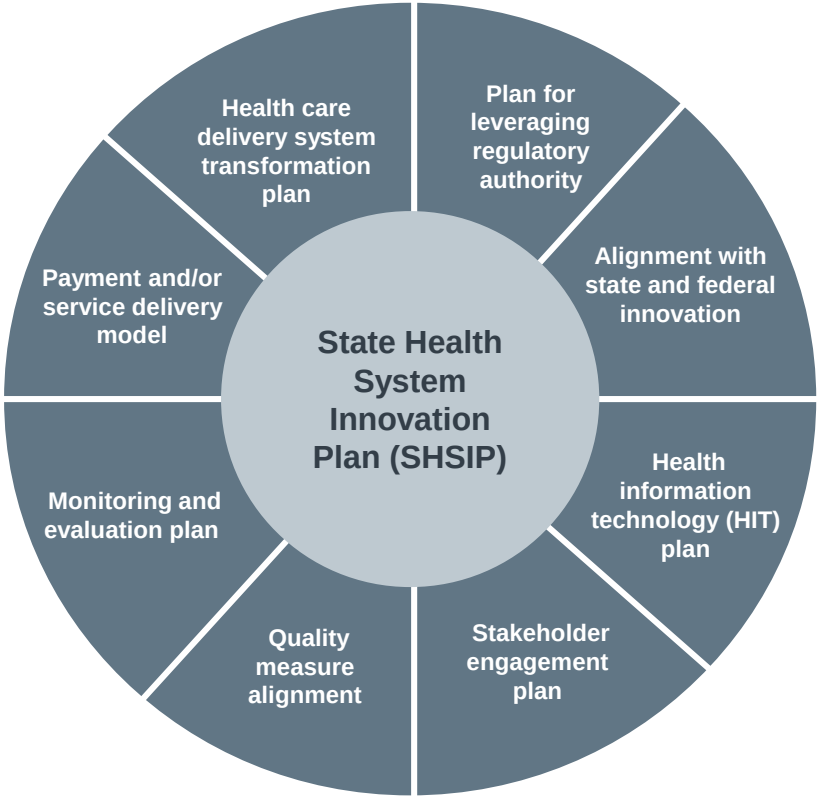
- SIM Model Design cooperative agreements provide financial and technical assistance to support states in developing a State Health System Innovation Plan (SHSIP)
- The goal of the Model Design award is to support states in using all of the levers available at the state level to engage stakeholders – including payers, providers and the public – to design a plan that can deliver better care, smarter spending and healthier people through statewide transformation of the health care delivery system, payment methodologies, and integration of population health interventions.

State Health System Innovation Plan Will…

- Use assessments of the state population's health to identify specific gaps between current status and goals and identify populations that experience health disparities or account for a disproportionate percentage of health care costs
- Identify current health care delivery systems and payment methodologies in the state and opportunities for improvement in each area
- Analyze levers available to the state for addressing the issues surfaced, such as through traditional functions like public health, insurance regulation, Medicaid or through other functions such as educational programs, transportation, housing, etc.
- Bring together public and private health care stakeholders to develop a model for systematically transforming the delivery of health care and to devise statewide payment methods

Source: "SIM Round 2 Model Design State Health System Innovation Plan Development Guidance." Center for Medicare & Medicaid Innovation. 5 February 2015.

SIM Model Mandatory Design Components



SIM Model Design: Project Deliverables

1. **Operational Plan** – including a proposed project timeline with milestones
2. **Stakeholder Engagement Plan** –
   - Demonstrate diversity of geographic, clinical, payer, and state/community services involved through a list of stakeholders and their organizations represented
   - Describe how stakeholders will be engaged and their roles and responsibilities
3. **Quarterly Progress Reports (QPR)** – including status of the project activities and a narrative summary of the period's accomplishments and any barriers to reaching them
4. **Driver Diagram** – should identify the major Aim(s) of the health system transformation, the Primary Drivers for achieving the aim, and the Secondary Drivers
5. **Population Health Plan** – 1st QPR: initial assessment of gaps in access to care and health status disparities that need to be addressed; 2nd QPR: draft strategies to address these gaps
6. **Value-based Health Care Delivery and Payment Methodology Transformation Plan** – draft plan for transforming the reimbursement methodologies from fee-for-service to value-based alternatives including how commercial as well as Medicaid payers will support
7. **Health Information Technology Plan** – 3rd QPR: plan for how the expansion of health IT adoption and HIE infrastructure will be developed to provide the data and analytical capability to support provider practices with improving coordination and delivery of care
8. **State Health System Innovation Plan** (Final Deliverable) – state's vision for a transformed delivery system and how State authority will be employed to implement the plan and enable key strategies for transformation; Explanation of how the state will incorporate broad provider and multi-payer commitment (More on next slide)

Source: "SIM Round 2 Model Design State Health System Innovation Plan Development Guidance." Center for Medicare & Medicaid Innovation. 5 February 2015.

State Health System Innovation Plan Sections

Incorporate Best Practice Elements for Each Section

- Description of State Health Care Environment
- Report on Stakeholder Engagement and Design Process Deliberations
- Health System Design and Performance Objectives
- Value-Based Payment and/or Service Delivery Model
- Plan for Health Care Delivery System Transformation
- Plan for Improving Population Health
- Health Information Technology Plan
- Workforce Development Strategy
- Financial Analysis
- Monitoring and Evaluation Plan
- Operational Plan

Best Practices

1. The state's strategy to advance the health of the entire population
2. A description of the state regulatory and policy levers available and any federal waiver or state plan amendment requirements and their timing
3. The associated driver diagram defining the state aims, primary and secondary drivers
4. A health care delivery system transformation model and value-based payment methodology
5. Quality and performance measures
6. A description of how plan aligns with other federal, state, regional and local innovation models
7. How the transformation will be organizationally and financially sustained

Source: "SIM Round 2 Model Design State Health System Innovation Plan Development Guidance." Center for Medicare & Medicaid Innovation. 5 February 2015.

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Tennessee Innovation Model Summary

Overview of Tennessee

6,549,352
Population[1]

1,333,669
Medicaid/CHIP Lives[2]

45
National Health Ranking[3]

Key Features:

- On average, Tennesseans have lower incomes and lower educational attainment when compared to the national average
- 33.6% of Tennesseans live in rural areas compared to national average of 19.3%
- 66.5% of adults in Tennessee are overweight or obese (BMI of 25 or higher)
- Substance abuse is a key priority for the state, with significant increases in deaths by drug overdose and babies born with neonatal abstinence syndrome
- Health care market expenditures have grown at about 6.1% over the past decade; however, TennCare has been effective in maintaining lower rates of cost growth
- Only Medicaid program in the country in which ever member is enrolled in managed care through three MCOs

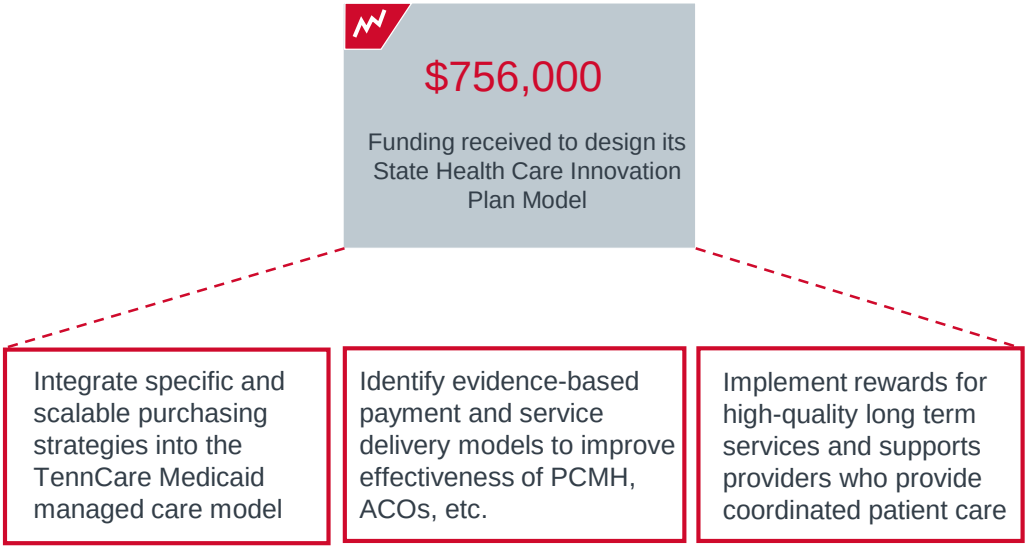
$65 Million

Funding received to implement and test its State Health Care Innovation Plan Model

> Over the next 5 years, the Tennessee Health Care Innovation Initiative will shift a majority of health care spending, both public and private away from fee for service to three outcomes based payment strategies…With these efforts, it's our hope that Tennessee will be at the forefront of a national trend that is expected to gain momentum in the coming years.
>
> *Bill Haslam*
> *State Governor of Tennessee*

1) US Census Bureau 2014 Estimate
2) Based on April 2014 Medicaid/CHIP Preliminary Monthly Enrollment Data
3) America's Health Rankings 2014

SIM: Model Design Awards Round One



Tennessee State Innovation Model Test

Key Features

Primary Care Transformation

- **Multi-Payer PCMH** – Beginning with three TennCare MCOs, incorporating commercial payers, and eventually building to a statewide aligned commercial and Medicaid PCMH program
- **Pediatric PCMH** – Partner with TNAAP to implement quality improvement projects
- **TennCare Health Homes** – Prospective payments for care coordination and case management for two years, coupled with provider training and capacity building, and quarterly cost and quality reporting
- **Shared Care Coordination Tool** – Working to build framework for a state HIE, beginning with ability to exchange real-time or daily batch ADT information

Episodes of Care

- Principle Account Providers (“Quarterbacks”) receive **actionable information** from payers about an acute care event for which they’re accountable, including cost and quality indicators, then ultimately share in the savings or excess cost
- Initiative will roll out in two waves with goal of achieving **75 episodes by 2019**

Long-Term Services and Supports Reform

- **Quality- and acuity-based payment** for nursing facilities and home and community based services and supports
- **Value-based purchasing initiative** for Enhanced Respiratory Care
- **Workforce development** – comprehensive training program for individuals delivering LTSS

Source: HHS.gov Press Release, March 3, 2015

Iowa Innovation Model Summary

Overview of Iowa

3,107,126	512,533	24
Population[1]	Medicaid/CHIP Lives[2]	National Health Ranking[3]

Key Features:

- The percentage of Iowans living in rural areas is over 50% higher than the national average
- 79 of the 99 counties have a rural designation with 86 medically underserved areas in 72 of the 99 counties
  - Challenging to attract and retain health care providers
  - Fewer physicians per 100,000 people in Iowa than the national average
- Health status is generally better than other states or around national average
- 68.5% of low-income adults do not access recommended primary care, a rate that is 25% higher than the overall state total

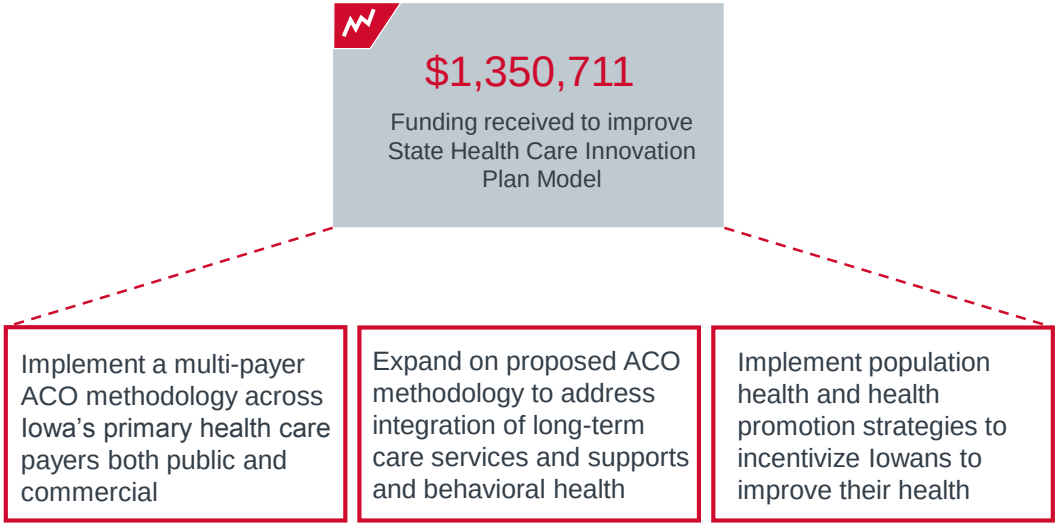
$43.1 Million

Funding received to implement and test its State Health Care Innovation Plan Model

> The current system is fragmented and reimbursement methods reward volume, not value. We need to increase quality outcomes and lower costs
>
> *Jennifer Vermeer*
> *Iowa Medicaid Director '08-'14*

1) US Census Bureau 2014 Estimate
2) Based on January 2015 Medicaid/CHIP Preliminary Monthly Enrollment Data
3) America's Health Rankings 2014

SIM: Model Design Awards Round One



Iowa State Innovation Model Test

Key Features

Expand primary care coverage to reach entire Medicaid population

- Align with other payers using standard measurement systems and quality ratings
- Support the delivery system through technical assistance, community care teams, and more integrated used of HIT and HIE
- Care coordination payments for patients with chronic conditions
- Coordinate care with existing behavioral health and long-term care services – assume financial and clinical accountability overtime

Improve population health and patient care

- Practice transformation activities to help providers evaluate and address social determinants of health, such as expanding telehealth to reduce disparities between rural and urban areas
- Risk-adjustment payment structures
- Community Care Teams will facilitate connections with non-ACO providers
- Tools to better engage and incentivize patients to manage their own health
- Targeted population health initiatives including obesity, tobacco use, and diabetes

Decrease per capita health care spending

- Monitoring both value and total cost of care
- Tracking patient outcomes and public reporting of results
- Identifying specific populations that need additional interventions and care management
- Aligning and partnering with public and private payers
- Focus on same quality measures regardless of payer
- Conducting rapid cycle evaluation and improvements

Source: Centers for Medicare and Medicaid Services: Iowa Model Test Application Project Narrative

New York Innovation Model Summary

Overview of New York

19,746,227	6,247,440	14
Population[1]	Medicaid/CHIP Lives[2]	National Health Ranking[3]

Key Features:

- Third-most populous state behind California and Texas with a demography reflective of the national average
- Over 80% of NY residents live in urban areas
- Per-capita costs are 20% higher than the national average stemming from higher than average unit costs, high avoidable utilization, and a small set of highly complex populations
  - NY ranks 50th in avoidable utilization and 40th in ambulatory care-sensitive admissions
  - Highest spend in the nation on Medicaid enrollees with disabilities
- 75% of PCPs do not yet work in PCMH recognized practices

$99.9 Million

Funding received to test State Health Care Innovation Plan Model

> Building the best possible health care system means growing our resources and taking an innovative approach to providing care for New Yorkers – and that is exactly what this grant is helping us achieve. This funding will go a long way toward improving the quality of care for people in virtually every corner of the state.
>
> *Andrew Cuomo*
> *State Governor of New York*

1) US Census Bureau 2014 Estimate
2) Based on January 2015 Medicaid/CHIP Preliminary Monthly Enrollment Data
3) America's Health Rankings 2014

Source: New York State Health Innovation Plan. December 2013 ;CMS State Innovation Models Initiative: Model Test Awards Round Two http://innovation.cms.gov/initiatives/state-innovations-model-testing-round-two/

SIM: Model Design Pre-Testing Awards

CO, NY and WA Received Pre-Testing Awards to Strengthen Plan Before Implementation

$1 Million

Funding received to strengthen its State Health Care Innovation Plan Model

- Test six components of its comprehensive plan including First Episode Psychosis Teams, Extended Care Transitions support, and ACOs
- Improving HIT efforts including EHR adoption, creating an All Payer Database for claims data, and developing data-driven care management tools
- Cultivating robust stakeholder engagement and collaboration across various regions and quantifying the current health care environment

Source: New York State Health Innovation Plan. December 2013.

New York State Innovation Model Test

Key Features

Advanced Primary Care (APC) Design

- **Practice Transformation Support**
  - Development of a standardized tool to assess practice readiness and creation of a statewide curriculum to guide transformation efforts
  - Employ Public Health Consultants to strengthen local provider relationships and connect patients to community resources
- **Primary Care Workforce**
  - Mechanisms to increase the number of primary care residencies within the state
  - Ensuring top of license practice
  - Development of tools to increase retention of physicians trained in NY
- **Common Scorecard**
  - Quality metrics to be published as the statewide standard and supported by the state-led HIT infrastructure
  - Basis for all Medicaid and State Employee Insurance and for increasing use in commercial contracts

Value-Based Payment

- Evaluating range of current payment mechanisms which will produce first-ever comprehensive statewide scorecard on payment reform – goal to achieve 80% value-based payment by 2020
- Statewide payment reform committee convening regional stakeholders to address region-specific challenges
- Value-based insurance design for a select group of state employees in 2015, targeting diabetes, asthma, and hypertension

Health Information Technology

- Complete implementation of state HIE
- Create a patient portal
- Create and implement an All-Payer Database
- Implement a clinical data table using Medicaid claim, encounters and member information which will reduce burden on providers to calculate and aggregate quality measures at various levels

Source: CMS Center for Medicaid and Medicare Innovation: Model Test Application: New York State : Project Narrative

Ohio Innovation Model Summary

Overview of Ohio SIM

SIM PCMH Charter Outlines Desired Levels of Payer Alignment

CARE DELIVERY

Target patients, sources of value, improvements

PAYMENT MODEL

Technical requirements, attribution, quality measures, incentives

INFRASTRUCTURE

Technology, data systems, personnel

SCALE-UP AND IMPROVEMENT

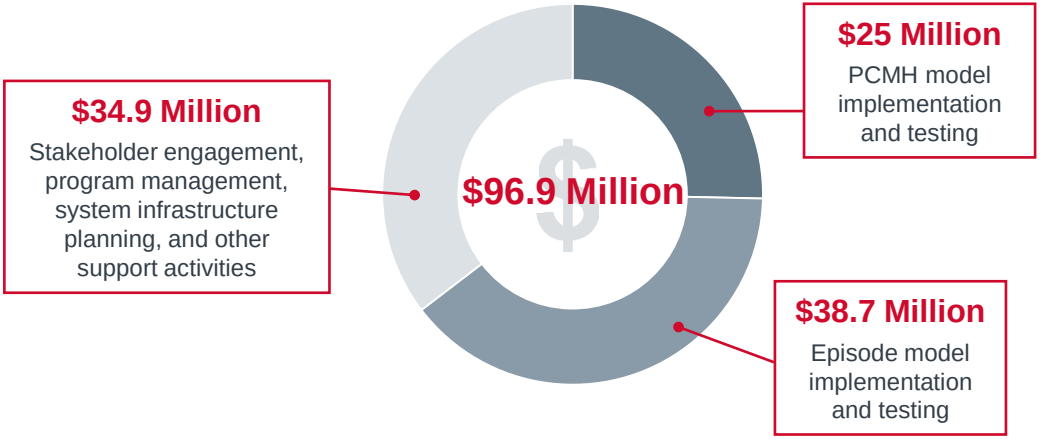
Support, resources and activities to enable practices to adopt and sustain PCMH model

	Patient-Centered Medical Homes	Episode-Based Payments
Year 1:	• In 2014, focus on Comprehensive Primary Care Initiative (CPCI) • Payers agree to participate in design for elements where standardization and/or alignment is critical • Multi-payer group begins enrollment strategy for one additional market	• State leads design of five episodes: asthma, perinatal, COPD exacerbation, PCI and joint replacement • Payers agree to participate in design process, launch reporting on at least 3 of 5 episodes in 2014 and tie to payment within year
Year 2:	• Model rolled out to all major markets • 50% of patients are enrolled	• 20 episodes defined and launched across payers
Year 3:	• Scale achieved state-wide • 80% of patients are enrolled	• 50+ episodes defined and launched across payers

Source: Ohio SIM Test Grant Application: Project Narrative; "Patient Centered Medical Home Charter for Payers" Governor Kasich's Advisory Council on Health Care Payment Innovation. October 18, 2013

Ohio SIM Budget Allocation

Ohio Committed $204.8 Million to Implement SIM over 4 Years; Requested $96.9 Million from SIM Test Grant Funding



SIM test grant funds will not be used for any personnel costs, fringe benefits, equipment or supplies.

Source: Ohio SIM Test Grant Application: Project Narrative

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Questions to Solve for within Planning Phase

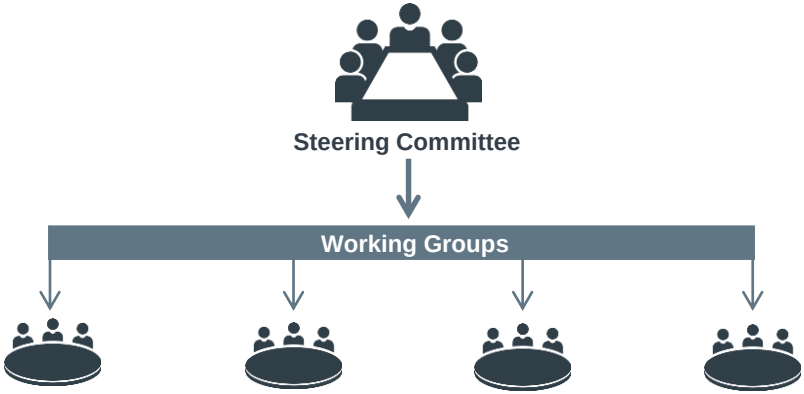
Steering Committee Foundation

Options, Pros/Cons of Chose Approach…

- Role definition of Steering Committee as Convener/Facilitator vs Executor
- Ground rules for role chosen sets expectations, defines "span of control," establishes outlook for stakeholder buy-in/engagement
- Lays framework by which overall Goals of the SIM program will be established
- Creates the span of control or influence of the supporting Work Groups

Stakeholder Engagement Structure – Option #1

Prescriptive or Directive Methodology – "Command & Control" Driven



Goals/Outcomes Determined by the SIM Leadership

- Achieve or maintain top-quartile performance among states for adoption of best practices and outcomes in disease prevention and health improvement within five years
- Achieve high standards for quality and consumer experience, including at a least a 20 percent reduction in avoidable hospital admissions and readmissions within five years
- Generate $5 to $10 billion in cumulative savings by reducing unnecessary care, shifting care to appropriate settings, and curbing increases in unit prices for health care products and services that are not tied to quality within five years

Stakeholder Engagement Structure – Option #2

Principle Driven Methodology – "Grass Roots" Driven

Underlying Principles to Drive Working Groups Agendas

- Primary care expansion
- Decrease per capita health care spending
- Expand and coordinate health information technology
- Alignment of public and private payers

Key Common Elements to Consider from the Start

1 Strong leadership from State officials is essential.

- SIM states with the greatest momentum and clearest vision have a strong history of promoting reform during both Republican and Democratic administrations.
- Forging early consensus on scope and goals of SIM project is essential to ensure focus and support

2 Engage stakeholders using different strategies, as their readiness and capacity to innovate and align varies across the board.

- Fear of losing competitive advantage, violating antitrust laws, or taking on more responsibilities can cause resistance among various stakeholders.
- Provide incentives for providers such as facilitating data exchange, providing reports on utilization, cost, and/or quality; develop a provider workgroup to develop standard metrics

3 Transforming the health care system requires provider and payer access to reliable, targeted, efficiently produced cost and quality data.

- Important to develop a shared vision before strategy development as well as determine how to define progress
- States can and should seek guidance from CMS officials on how to design HIT architecture

4 Integrate public health at beginning stages of innovation model design.

- Engage State health officials in building on existing projects, and form multi-stakeholder learning collaboratives to test, share and implement evidence-based strategies to improve access to care.
- Conduct community assessments to identify health care disparities and drivers of poor health, such as physical inactivity or poor nutrition, and target interventions accordingly.

Source: Silow-Carroll, Sharon and JoAnn Lamphere. "State Innovation Models: Early Experiences and Challengers of an Initiative to Advance Broad Health System Reform." The Commonwealth Fund. September 2013

Common Initiatives Across Model States

Alignment of public and private payers

Value-based payments

Expansion of HIT Infrastructure

Move toward standardized quality metrics

Statewide plan for improving population health with key targeted priorities

Primary care workforce development

Broad-based consensus-driven approach, involving disparate regional stakeholders

Challenges of States with SIM to Date

Barriers to Consider Based on Current SIM States' Experiences

- Difficulty defining core quality measures and attaining payer agreement on them
- Disagreements on which entity should control performance data
- Privacy concerns, particularly regarding certain populations and services, such as mental health
- Uncertainty about what financial incentives may be necessary for providers and payers to share information
- Technical challenges and culture changes related to value-based models that link clinical information and administrative data from different providers

Source: Silow-Carroll, Sharon and JoAnn Lamphere. "State Innovation Models: Early Experiences and Challengers of an Initiative to Advance Broad Health System Reform." The Commonwealth Fund. September 2013

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Questions, Discussion and Answers